

Message Text

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TO SECSTATE WASHDC 2847

INFO AMEMBASSY TEL AVIV

AMCONSUL ALEXANDRIA

C O N F I D E N T I A L SECTION 01 OF 04 CAIRO 19377

E.O. 11652: GDS

TAGS: ECON, EG

SUBJ: THE EGYPTIAN ECONOMY: BACKGROUND AND COMMENTARY

1. THE FOLLOWING PARAGRAPHS ARE AN OVERVIEW OF EGYPT'S ECONOMY AND COMMENT ON ITS CURRENT STATE. THIS SURVEY MAY BE USEFUL TO THE PRESIDENT FOR BACKGROUND IN PREPARATION FOR THE CAMP DAVID SUMMIT. SEPARATE EMBASSY CABLES WILL COVER THE SPECIFIC INFORMATIONAL REQUIREMENTS NOTED IN EARLIER INSTRUCTIONS.

2. EGYPT IS BASICALLY AN AGRICULTURAL COUNTRY WITH TOO LITTLE USABLE LAND AREA FOR ITS RAPIDLY-INCREASING POPULATION, WITH LIMITED NATURAL RESOURCES AND WITH PREVALENT SOCIO-RELIGIOUS ATTITUDES NOT CONDUCIVE TO ALL-OUT DEVELOPMENT EFFORTS. EGYPT'S ECONOMIC HISTORY IS HIGHLIGHTED, AT WIDELY SPACED INTERVALS IN TIME, BY THE CONSTRUCTION OF MONUMENTAL WORKS--THE PYRAMIDS, MILLENIA AGO; THE SUEZ CANAL IN THE 19TH CENTURY; AND THE ASWAN HIGH DAM IN RECENT YEARS. EACH MARKS AN ERA OF NOTEWORTHY ACHIEVEMENT, ESPECIALLY IN ENGINEERING TERMS. IN BETWEEN THESE PERIODS
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OF OUTSTANDING, CONCENTRATED EFFORT, HOWEVER, LONG YEARS HAVE GONE BY WITH LITTLE OR NO CHANGE IN THE ECONOMIC LIFE OF THE COUNTRY.

3. THE MODERN WORLD INTRUDES MORE AND MORE OF LATE, RAISING THE ECONOMIC APPETITES OF THE 17 MILLION EGYPTIANS WHO LIVE IN THE TOWNS AND CITIES PARTICULARLY, BUT STAND-

ARDS OF LIVING REMAIN LOW BY ANY COMPARISON (EXCEPT WITH THE TWO DOZEN OR SO LEAST DEVELOPED AFRICAN AND ASIAN NATIONS). ALTHOUGH NO ONE STARVES, THE BULK OF THE POPULATION, THE OTHER 23 MILLIONS WHO ARE RURAL BASED, EXISTS MUCH AS DID THE EGYPTIANS OF A HUNDRED--OR A THOUSAND--YEARS AGO. THE CITY DWELLERS, WHILE HAVING PHYSICAL ACCESS TO A GREATER NUMBER OF AMENITIES, IN MANY CASES ARE ACTUALLY WORSE OFF THAN THEIR COMPATRIOTS IN THE COUNTRYSIDE DUE TO THE LACK OF EMPLOYMENT OPPORTUNITIES AND PURCHASING POWER. FOR MORE THAN ONE REASON, INCLUDING THE ADOPTION OF WHAT PROVED TO BE COUNTERPRODUCTIVE ECONOMIC POLICIES, EGYPT DURING THE PAST GENERATION HAS FALLEN BEHIND IN THE WORLD DEVELOPMENT "RACE" AND IS ONLY NOW BEGINNING TO PULL ITSELF OUT OF THE ECONOMIC DECLINE INTO WHICH IT HAD FALLEN.

4. PRESIDENT SADAT INHERITED THIS LEGACY OF A DETERIORATING ECONOMY FROM THE NASSER PERIOD OF 1952-70. BY THE TIME SADAT CAME TO OFFICE, AN "ARABIZED" VERSION OF SOVIET PLANNING AND CENTRAL DIRECTION OF THE ECONOMY HAD BEEN INSTALLED RATHER COMPLETELY OVER THOSE YEARS. ONLY FARMING AND PETTY COMMERCIAL ACTIVITIES WERE LEFT IN THE PRIVATE SECTOR, AND FARMS HAD BEEN REDUCED TO RELATIVELY SMALL SCALE HOLDINGS AS A RESULT OF LAND REFORM. INDUSTRY, BANKING, MAJOR SERVICES, MARKETING AND TRADING HAD BECOME NATIONALIZED ENDEAVORS. CONFIDENTIAL

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CENTRALIZED MANAGEMENT AND PLANNING WERE THE ORDER OF THE DAY. PRACTICALLY ALL INVESTING WAS DONE BY THE PUBLIC SECTOR, AND THIS OVER TIME AT A LEVEL INSUFFICIENT EVEN TO MAINTAIN EXISTING INFRASTRUCTURE. OTHER THAN AGRICULTURAL PRODUCTION AT THE FARM LEVEL, VIRTUALLY ALL ECONOMIC ACTIVITY OF CONSEQUENCE WAS DIRECTLY CONTROLLED BY THE GOVERNMENT.

5. THE TROUBLE WAS THAT SOVIET-STYLE "ARAB SOCIALISM" DID NOT WORK. EGYPT HAD GAINED ECONOMICALLY FROM ITS SOVIET CONNECTION IN THAT THE HIGH DAM AND A FEW LARGE INDUSTRIAL COMPLEXES WERE BUILT. A NUMBER OF OVERDUE SOCIAL BENEFITS ALSO WERE INITIATED FOR THE POPULACE DURING THIS TIME. BUT THE SYSTEM IMPOSED HAD STULTIFIED GROWTH AND DEVELOPMENT, CONTRARY OF COURSE TO THE INTENT OF THE PLANNERS. BY THE EARLY 1970'S THE ECONOMY WAS TICKING OVER AT A LOW LEVEL OF ACTIVITY. A CHANGE SEEMED TO BE NEEDED IF TOTAL STAGNATION WAS TO BE AVOIDED.

6. SADAT BROUGHT ABOUT THAT CHANGE, TENTATIVELY ENUNCIATED AT FIRST, ALONG WITH HIS TURN IN POLITICAL ORIENTATION FROM THE SOVIET BLOC TO THE WEST. THE KEY ELEMENT

OF SADAT'S CHANGED ECONOMIC DIRECTION, HIS "OPEN DOOR"
POLICY, WHICH WAS RATIFIED OVERWHELMINGLY BY NATIONAL
REFERENDUM IN 1974 SOON AFTER THE OCTOBER 1973 WAR,
PROVIDED--AND YET PROVIDES--FOR A GREATER ROLE BY THE
PRIVATE SECTOR IN THE ECONOMY, FOR INDUCEMENTS TO FOREIGN
INVESTMENT, AND FOR LIBERALIZED IMPORT AND FOREIGN EXCHANGE
CONTROLS. THE OPEN DOOR POLICY THUS WAS, AND IS, A
CONSCIOUS ATTEMPT TO TRANSFORM THE EGYPTIAN ECONOMY FROM
A HEAVILY CENTRALIZED, PUBLIC SECTOR-ORIENTED SYSTEM
INTO A MIXED ECONOMY WITH LEEWAY PERMITTED FOR MEAN-
INGFUL PRIVATE SECTOR PARTICIPATION. ALL PUBLIC PRO-
NOUNCEMENTS BY THE POLITICAL LEADERSHIP CONTINUE TO EMPHA-
SIZE THE SOCIALIST NATURE OF THE SYSTEM, I.E., THE
PRESENT AND FUTURE IMPORTANCE OF GOVERNMENT-DIRECTED
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C O N F I D E N T I A L SECTION 02 OF 04 CAIRO 19377

INITIATIVES AND CONTROLS IN THE ECONOMY, BUT NONETHE-
LESS A PROFOUND POLICY RE-ORIENTATION FROM NASSER'S
TIMES HAS IN FACT BEEN INITIATED BY SADAT.

7. ONLY FOUR YEARS HAVE PASSED SINCE ITS FULL IMPLEMENTA-

TION, HOWEVER, AND THE RESULTS OF THE NEW POLICY THUS FAR HAVE NOT LIVED UP TO EXPECTATIONS. INVESTORS, WHETHER AMERICAN OR OF OTHER NATIONALITIES, REMAIN LEERY OF THE RISKS AND UNCERTAIN RETURN ON CAPITAL, AS WELL AS THE DIFFICULTIES IN DEALING WITH THE SPRAWLING EGYPTIAN BUREAUCRACY. EGYPT'S ENTREPRENEURS ARE ONLY GRADUALLY RE-EMERGING AFTER TWO DECADES DURING WHICH THEY FOUND NO OUTLETS FOR THEIR TALENTS AND CAPITAL. LIBERALIZED TRADE UNDER THE OPEN DOOR HAS ACTUALLY LED TO GREATLY HEIGHTENED PROBLEMS FOR THE SADAT GOVERNMENT; WHILE MAKING POSSIBLE THE IMPORT OF MUCH-NEEDED MATERIALS AND EQUIPMENT FOR THE COUNTRY'S UNDERUTILIZED INDUSTRIAL CAPACITY, AND WHILE PERMITTING PENT-UP CONSUMER DEMAND TO BE MET IN PART, THE POLICY RESULTED IN A MUCH-INCREASED IMPORT BILL BEGINNING IN 1974 WHICH WAS FAR FROM BEING MATCHED BY

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RISES IN PRODUCTIVITY OR FOREIGN EXCHANGE EARNINGS. ONLY BY OBTAINING MASSIVE AID FROM ABROAD AND BY RESORTING TO EXPENSIVE SHORT-TERM BANK CREDIT WAS IT POSSIBLE FOR EGYPT TO IMPLEMENT THIS SIGNIFICANT ASPECT OF SADAT'S OPEN DOOR: FREER TRADE WITH THE REST OF THE WORLD, NOTABLY THE WEST.

8. AS A CONSEQUENCE OF THE VERY LARGE TRADE DEFICITS INCURRED ANNUALLY (AS MUCH AS \$3.5 BILLION AT ITS WORST IN 1975), THE GOVERNMENT DURING THE PAST FOUR YEARS HAS STAGGERED FROM FINANCIAL CRISIS TO FINANCIAL CRISIS IN ITS DEBT MANAGEMENT AND BUDGETARY AFFAIRS. OUR RELATIONS WITH EGYPT HAVE BEEN DEEPLY COLORED BY OUR CONCERN THAT THE NATION NOT, IN EFFECT, BECOME BANKRUPT. WITHOUT DOUBT THE BULK OF THE INCREASED IMPORTS WAS NEEDED FOR PRODUCTIVE PURPOSES AND TO PROVIDE NEEDED CONSUMER GOODS, BOTH OF WHICH TYPES OF IMPORT COMMODITIES HAD BEEN CURTAILED IN THE PERIOD 1967-73, BUT THEY SIMPLY COULD NOT HAVE BEEN PAID FOR EXCEPT THROUGH HIGH-INTEREST COMMERCIAL CREDIT, LARGE-SCALE RESOURCE TRANSFERS BY ARAB OPEC NATIONS (MAINLY SAUDI ARABIA AND KUWAIT) AND, BY 1976 WHEN OUR AID FLOWS BEGAN TO BE SIGNIFICANTLY SIZEABLE, U. S. ECONOMIC ASSISTANCE.

9. THE WORST MAY BE OVER NOW; EGYPT'S BALANCE OF PAYMENTS SITUATION HAS IMPROVED SUBSTANTIALY IN THE PAST YEAR, DUE LARGELY TO INCREASED EARNINGS FROM PETROLEUM EXPORTS, SUEZ CANAL REVENUES, RECEIPTS FROM TOURISM AND, IMPORTANTLY, REMITTANCES FROM THE MANY EGYPTIANS WORKING ABROAD. AN ARREARS PROBLEM IN DEBT SERVICE THAT REACHED SERIOUS PROPORTIONS IN EARLY 1977 HAS BEEN CLEARED UP AND INTERNATIONAL OBLIGATIONS ARE BEING MET ON TIME. EVEN NOW, HOWEVER, THE CRISIS NATURE OF FINANCIAL MANAGEMENT IS POINTED UP BY THE FACT THAT THE GOVERNMENT STILL

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MUST OBTAIN AN ESTIMATED \$300-\$400 MILLION IN EXTERNAL FINANCING TO PAY FOR PROJECTED IMPORTS DURING THE REMAINDER OF THIS CALENDAR YEAR. IF THIS FUNDING IS NOT FORTHCOMING ON CONCESSIONAL TERMS, PRESUMABLY FROM SAUDIA ARABIA AND THE GULF ARAB STATES, THE LARGEST AID DONORS TO EGYPT OVER THE PAST FOUR YEARS BY FAR, THE GOVERNMENT WILL HAVE NO RECOURSE BUT TO RUN UP AGAIN ITS SHORT-TERM BANK BORROWINGS OR TO ATTEMPT TO CHOKE OFF ABRUPTLY NEEDED IMPORTS TOWARD YEAR'S END. THE FINANCIAL CRISIS HAS ABATED, BUT FUNDING ARRANGEMENTS TO WARD OFF DEBT SERVICE DIFFICULTIES ARE STILL ON AN ALMOST HAND-TO-MOUTH BASIS.

10. ONE NEED LOOK NO FARTHER FOR AN EXAMPLE OF THE BEARING THESE VARIOUS ECONOMIC PROBLEMS HAVE ON THE BODY POLITIC THAN THE JANUARY 1977 "BREAD" RIOTS, WHICH WERE SUFFICIENTLY SERIOUS TO WARRANT CALLING OUT THE ARMY TO QUELL DISTURBANCES FOR THE FIRST TIME IN 25 YEARS. THAT OUTBREAK RESULTED FROM AN ILL-TIMED AND POORLY-PREPARED EFFORT ON THE PART OF THE GOVERNMENT TO RAISE THE SUBSIDIZED PRICES ON A RANGE OF CONSUMER ITEMS (INCLUDING BASIC COMMODITIES SUCH AS CERTAIN KINDS OF BREAD), A SOCIAL WELFARE PROGRAM CARRIED OVER FROM NASSER'S DAYS. SUBSIDY COSTS HAD BEEN RELATIVELY MODEST PRIOR TO 1974, BUT ESCALATING WORLD INFLATIONARY PRESSURES RADICALLY UPPED THE PROGRAM'S COST TO THE GOVERNMENT. SUBSIDIES HAVE COME TO BE A DRAIN ON EGYPT'S RESOURCES ON A PAR WITH MILITARY EXPENSES. EACH LAYS CLAIM TO WELL OVER \$1 BILLION YEARLY.

11. THE DEFENSE BURDEN HAS BEEN WITH EGYPT FOR MANY YEARS, OF COURSE. TOTAL EXPENDITURES, NOT COUNTING EQUIPMENT PURCHASES FINANCED DIRECTLY BY THE OPEC ARABS, ARE AT A LEVEL APPROACHING \$2.0 BILLION THIS YEAR, UP NEARLY DOUBLE THE TOTAL OF FOUR YEARS AGO, BUT DOWN AS A PERCENTAGE OF OVERALL GOVERNMENT SPENDING (IDENTIFIABLE DIRECT GOVERNMENT EXPENDITURES ON THE ARMED FORCES NOW ARE ABOUT

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25 PER CENT OF THE ADMINISTRATIVE BUDGET).

12. THE DIVERSION OF AT LEAST SOME OF THOSE TOTAL

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C O N F I D E N T I A L SECTION 03 OF 04 CAIRO 19377

RESOURCES--BOTH FROM MILITARY AND SUBSIDY COSTS--TO
DEVELOPMENT PURPOSES OBVIOUSLY WOULD BE BENEFICIAL TO
EGYPT AND TO THE FURTHERANCE OF OUR LONGER-RANGE POLICY
GOALS IN THE MIDDLE EAST. IT IS POSSIBLE, HOWEVER, TO
OVERSTATE THOSE POTENTIAL BENEFITS IN THE NEAR TERM.
APPROPRIATING TO DEVELOPMENT A MAJOR PORTION OF FUNDS
NOW GOING TO SUBSIDIES WOULD REQUIRE AN OVERHAUL OF THAT
SEGMENT OF THE LONG-ENTRENCHED SOCIAL WELFARE SYSTEM,
WITH THE PROSPECTIVE DESTABILIZING CONSEQUENCES CLEARLY
EVIDENT FROM THE EXPERIENCE WITH THE JANUARY RIOTS, A
THREAT TO SECURITY WHICH IS EVER-PRESENT IN THE MINDS OF
EGYPTIAN LEADERS. AS TO MILITARY EXPENSES, THERE ARE
LIMITS TO THE ACTUAL AMOUNT OF AND BENEFIT FROM PROJECTED
SAVINGS. THE ARMED FORCES, LIKE THE STATE-OWNED INDUS-
TRIAL SECTOR, OVERSTAFFS DELIBERATELY AS A MEANS TO ABSORB
EXCESS LABOR; ANY LARGE REDUCTION IN FORCE WOULD AGGRA-
VATE THE PROBLEMS OF UNEMPLOYMENT AND UNDEREMPLOYMENT.
FURTHER, THE VERY SUBSTANTIAL FUNDS FROM OTHER ARAB SOURCES
NOW DEVOTED TO EQUIPMENT PURCHASES ALMOST CERTAINLY WOULD
NOT BE CHANNELLED IN ANYTHING APPROACHING LIKE AMOUNTS
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FOR ECONOMIC DEVELOPMENT IN EGYPT. THAT FINANCING HAS
BEEN FOR THE SPECIAL PURPOSE OF ARMING EGYPT FOR THE

CONFRONTATION WITH ISRAEL. THE OPEC ARABS HAVE CONSIDERED ECONOMIC AID AN ENTIRELY SEPARATE MATTER, DOLING OUT LARGE SUMS, TO BE SURE, BUT ONLY ENOUGH FROM TIME TO TIME TO KEEP THEIR EGYPTIAN ALLY AFLOAT ECONOMICALLY.

13. THE DEVELOPMENT PROBLEMS TO WHICH INCREMENTAL FUNDS MIGHT BE DEVOTED, IN ADDITION TO FOREIGN ASSISTANCE AND DOMESTIC RESOURCES NOW AVAILABLE, ARE NUMEROUS, COMPLEX AND DIFFICULT. ONE THAT OFTEN IS MENTIONED AS FOREMOST IS THE POPULATION INCREASE OF ONE MILLION EGYPTIANS EVERY YEAR, ESPECIALLY AS THIS PHENOMENON RELATES TO AN ALREADY LIMITED AND GRADUALLY DECREASING (DUE TO SALINIZATION AND URBAN ENROACHMENTS) CULTIVABLE LAND AREA. EGYPT IS ONE OF THE DEVELOPING COUNTRIES OF THE WORLD IN WHICH OVERPOPULATION IS VERY CLEARLY A DRAWBACK TO ECONOMIC ADVANCE. ANOTHER PROBLEM IS INSUFFICIENT PRODUCTION, EITHER IN INDUSTRY OR AGRICULTURE, TO PAY FOR NEEDED IMPORTS, EVEN IN COMBINATION WITH RECEIPTS FROM THE SUEZ CANAL AND FROM EGYPTIANS WORKING ABROAD. ABOUT 85 PER CENT OF INDUSTRY IS STILL IN THE PUBLIC SECTOR, WITH ITS OVERSTAFFING AND LACK OF PROFIT MOTIVATION, AND AGRICULTURE FACES CONSTRAINTS ON USABLE LAND AND GOVERNMENT-CONTROLLED PRICE DISINCENTIVES. YET ANOTHER MAJOR PROBLEM TO BE OVERCOME IS THE RUNDOWN STATE OF ROADS, COMMUNICATIONS, UTILITIES AND OTHER PUBLIC SERVICES, AND THE LACK OF HOUSING, SCHOOLS AND HEALTH FACILITIES. THE GENERAL INADEQUACY OF EGYPT'S INFRASTRUCTURE, RESULTING AS NOTED ABOVE FROM MANY YEARS OF INVESTMENT NEGLECT UNDER "ARAB SOCIALISM", AFFECTS NEGATIVELY NOT ONLY THE UNDERPINNINGS OF DEVELOPMENT ACTIVITIES, BUT ALSO THE EVERYDAY LIVES OF ALL EGYPTIANS. AND UNFORTUNATELY FOR EGYPT, A
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BETTERMENT OF THOSE CONDITIONS CAN ONLY BE BROUGHT ABOUT BY HEAVY CAPITAL INVESTMENT OVER A NUMBER OF YEARS.

14. A FURTHER PROBLEM IS THE INEFFICIENCY OF THE OVERBLOWN EGYPTIAN BUREACRACY, NOTWITHSTANDING ITS 7,000 YEARS OF EXPERIENCE. ANOTHER DRAWBACK TO DEVELOPMENT IS THE FATALISTIC ATTITUDE OF THE PEOPLE DERIVED FROM THE MUSLIM RELIGION AND FROM LONG, HARD EXPERIENCE WITH LIVING JUST ABOVE THE POVERTY (BY EGYPTIAN STANDARDS) LINE. ANOTHER PROBLEM IS THE RELATIVE LACK OF EXPLOITABLE NATURAL RESOURCES, EXCEPT FOR PETROLEUM, WHICH ITSELF IS LIMITED IN SUPPLY WHEN COMPARED WITH THE RESERVES OF EVEN NEIGHBORING LIBYA. THE LIST, WHILE NOT ENDLESS, GOES ON AND ON.

15. THERE ARE, OF COURSE, OFFSETTING BRIGHT SPOTS ON THE ECONOMIC SCENE, ESPECIALLY WHEN THE CURRENT SITUATION IS

CONTRASTED WITH THE RECENT PAST. THESE INCLUDE THE SEVERAL ITEMS PREVIOUSLY MENTIONED AS EXAMPLES OF ECONOMIC SECTORS WITH INCREASED EARNINGS DURING THE LAST YEAR OR SO. ON THE PLUS SIDE, TOO, IS THE GOVERNMENT'S COMMITMENT TO THE GENERAL THESIS OF DEVELOPMENT (ALTHOUGH THIS COMMITMENT NEARLY ALWAYS IS SUBJECT TO THE OVERRIDING IMPORTANCE OF POLITICAL CONSIDERATIONS). FURTHER, THE DEGREE OF INTERNATIONAL SUPPORT FOR EGYPT'S EFFORTS, AS EPITOMIZED BY THE WORLD BANK-LED CONSULTATIVE GROUP ON EGYPT AND THE SAUDI- AND KUWAITI-LED GULF ORGANIZATION FOR DEVELOPMENT IN EGYPT, IS REASSURING AS TO THE FUTURE OF DEVELOPMENT FUNDING IN ADDITION TO U. S. ASSISTANCE.

16. THE SIGNIFICANCE OF EGYPT'S ECONOMIC FUTURE TO U. S. INTERESTS, ESPECIALLY OVER THE NEAR TERM OF (SAY) TWO YEARS, LIES PRECISELY IN THE EFFECT THE COURSE OF ECONOMIC EVENTS MIGHT HAVE ON POLITICAL STABILITY WHILE SADAT FOCUSES ON AND, WITH OUR ASSISTANCE, PURSUES PEACE NEGOTIATIONS WITH ISRAEL. ISOLATED AS HE IS AMONG ARAB
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LEADERS ON THE QUESTION OF AN EARLY PEACEFUL ACCOMMODA-

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C O N F I D E N T I A L SECTION 04 OF 04 CAIRO 19377

TION (ON TERMS IN HIS VIEW NOT COUNTER TO EGYPTIAN OR
GENERALLY TO ARAB WORLD INTERESTS, TO BE SURE), AND GIVEN
THE DELICATE AND CONTROVERSIAL NATURE OF HIS COURSE OF
ACTION, SADAT NEEDS TO HAVE SOLID DOMESTIC SUPPORT AND
A STABLE POLITICAL BASE TO CONTINUE THE PROCESS IN THE
FACE OF, TO PUT IT MILDLY, LESS THAN UNIVERSAL ARAB BACK-
ING. HIS ECONOMIC FLANK MUST BE COVERED. HE MUST SHOW
PROGRESS TOWARD MEETING EGYPTIAN EXPECTATIONS FOR THE
FUTURE DEVELOPMENTAL TERMS, AS WELL AS PROGRESS ON THE
POLITICAL FRONT TOWARD PEACE, OR HE--AND THE PEACE PROCESS
AS WE NOW KNOW IT--WILL BE IN DEEP TROUBLE. STATED
STARKLY, SADAT COULD BE TOPPLED BY HIS OWN CITIZENRY,
WITH ALL THE LIKELY DISASTROUS CONSEQUENCES FOR HIS
JERUSALEM INITIATIVE, IF THE INDIVIDUAL PERCEPTIONS OF
THAT CITIZENRY WITH RESPECT TO ITS ECONOMIC WELL BEING
BECOME SUCH THAT HOPE AND FAITH ARE PRECLUDED. EILTS

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